

10 December 1976

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting With General Services Administration Region 3
Officials re Prospectus Procedures and Alternative
Means of Construction

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1. On 1 December 1976, at 1400 hours, [] met with GSA Region 3 Public Buildings Service officials at our request to discuss current prospectus procedures and alternative means of getting construction accomplished. These officials were:

Mr. Kenneth Jacobson, Chief, Repair and Alteration Division,
(for brief introduction only).

Mr. Dale F. Gottschalk, Project Development Branch Chief.

Mr. I. Jack Gural, Director, Planning Staff, PBS.

Mr. Pat Stewart, Planning Staff Officer.

2. We explained to these officers that we wished to update Agency information on prospectus procedures, clarify certain questions in this regard and seek information on alternate approaches which might be used in new building planning. We asked Messrs. Gottschalk and Gural to review a Memorandum for the Record, dated 9 January 1975, Subject: Acquisition of Space Under Public Buildings Act of 1959 as Amended by Public Law 92-313 (copy attached), concerning a previous meeting on this subject, and give us current procedures and authorities in this field. Gottschalk, Gural and Stewart said there were no changes in the basic laws, Public Buildings Act of 1959 amended by Public Law 92-313; there are several procedural changes: (1) There is no longer a subcomponent Office of Operating Programs in PBS Office of Space Planning and Management; it is simply Public Buildings Service; (2) The purchase contract (lease purchase) program which formerly provided an avenue for obtaining a building under Public Law 92-313 is no longer applicable.

3. Obtaining Space:

The method of obtaining space is basically unchanged. These steps are:

(a) Determination of the requirement

(b) Justification.

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(c) Options available:

- (1) Leased Space
- (2) Leased Construction
- (3) New Construction, Federal

4. If the requester presents a "nonexempt" requirement, it goes to GSA, eventually to the Public Works Committees of the Congress for approval and appropriations within the GSA budget. If the requirement is an "exempt" requirement (i.e., approved by Mr. Brunson, Plans Division and Mr. Shipp, Commissioner's Office, Space Planning and Management as an exception to the normal project), it goes to GSA but the construction may be accomplished outside the Public Building fund by Congressional appropriation by the Committee of the Congress handling that particular Federal Agency (Atomic Energy was example). In our case CIA would use its own Congressional appropriations mechanism. Under "exempt status" GSA still performs as the agent of the component funding the construction and takes care of all local requirements, viz city, county, state and regional planning agencies/bodies for land use and development, model cities and urban renewal, mass transit, highways, flood control, and air, water, solid waste, and other relevant environmental data.

5. Prospectus

Per FPMR 101-19.003-5, "prospectus" means the statement of the proposed project, required by Section 7 of the Public Buildings Act of 1959, as amended (40 U.S.C. 606) including a description, its location, estimated maximum cost, a comprehensive plan for providing space for all government officers and employees in the locality of the proposed project, a statement by the Administrator of General Services that suitable space owned by the government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the proposed action, and a statement of rents and other housing costs currently being paid by the government for federal agencies to be housed in the proposed project. A prospectus is required when the totality of the work equals \$500,000. In practical terms prospectus approval means approval for the activity, not authority to proceed with it. In new construction, procedure is to get prospectus approval first, then seek funds. Repair and alteration projects may be partially funded. Time required for prospectus approval is 18 months but they can be effective over 5-year time spread.

6. In practical interpretation all work of whatever type on a building or facility constitutes the "project". When total cost of

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the project (not separate parts) equals \$500,000, the prospectus is required. Each building having a separate Federal building number is a separate project for prospectus purposes. In GSA practice prospectuses under \$10 million are taken directly to Congress (Committee on Public Works, House and Senate); if over \$10 million GSA submits it to OMB first.

7. Timing for Construction of A New Building

Gural, Stewart and Gottschalk estimate that, by today's standards, a new building might possibly be completed within 5 years (maybe) from time request is made to GSA.

8. Current Activity

GSA received only \$27 million for nation-wide requirements in FY 77.



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OL/RECD/ [redacted] (10 December 76)

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09 JAN 1974

MEMORANDUM FOR: Chief, Real Estate and Construction Division, OL

SUBJECT : Acquisition of Space Under Public Buildings Act
of 1959 as Amended by Public Law 92-313

REFERENCE : Memo to D/L fm DD/A, dtd 4 Dec 1974

1. Public Law 92-313 provides that there is "...established in the Treasury of the United States on such date as may be determined by the Administrator, a fund into which there shall be deposited revenues and collections" from "User charges." The Act further provides that the "Moneys deposited into the fund shall be available for real property management and related activities in such amounts as are specified in annual appropriations Act without regard to fiscal year limitations."

2. The Federal Property Management Regulations implement Public Law 92-313 in Subpart 101-21. "Projects for the construction or alteration of public buildings, or for the alteration of leased buildings, for which GSA is responsible will be financed from the Federal Buildings Fund" Federal Property Management Regulations 101-21.501.

3. Public Law 92-313 and the Federal Property Management Regulations in 101-19.202 provide that projects shall be equitably distributed throughout the United States with due regard for the comparative urgency of the need for each project as determined by the Administrator of GSA.

4. Federal agencies identifying a need for construction of a public building are required to provide the necessary information and requirements to GSA within 60 days of the receipt of a request for such information to include: (1) a statement of net space occupied in public buildings by the Federal agency in the community for which the project is intended, and an itemization of area in square feet allocated to each specific agency function, (2) a firm statement of entire space and facility requirements, and (3) detailed information on space requiring special structural or mechanical facilities and such other information as provided in Federal Property Management Regulations 101-19.204.

5. Once the requesting agency has prepared its requirements for the proposed facility they are forwarded to the Director of Planning Staff, Office of Operating Programs, Public Building Service, GSA, who acts as the liaison for coordinating the requirements of the requesting agency in drafting the proposal and specifications for construction project.

SUBJECT: Acquisition of Space Under Public Buildings Act
of 1959 as Amended by Public Law 92-313

6. The project requirements are then submitted to the Office of Space Planning and Management, Public Building Service. This office approves the project, prepares a prospectus, or statement of the proposed project including its description, location, estimated maximum cost, etc., as outlined in FPMR 101-19.003-5. Public Law 92-313 requires the preparation of a prospectus where the proposed construction involves an expenditure in excess of \$500,000.

7. The prospectus is submitted to the Office of Management and Budget for approval in accordance with the provisions of Executive Order 9384. If OMB approves the project, the prospectus is submitted to the Committee on Public Works of the Senate and House of Representatives for approval by resolution as provided in Section 7 of PL 92-313.

8. Upon approval by the Public Works Committees of the House and Senate, the project is then placed as a line item in the GSA budget for the next fiscal year. As previously noted, the priorities of projects is determined by the Administrator of General Service FPMR 101-19.202.

9. The GSA budget with the assigned priorities for construction is submitted to the Appropriations Committees of the House of Representatives and the Senate for approval and the final enactment as public law by the Senate and House of Representatives.

10. Projects approved by the Committees on Public Works of the Senate and the House of Representatives for which an appropriation has not been made within one year after the date of approval may be rescinded by either Committee by resolution at any time thereafter before such an appropriation has been made. PL 92-313

11. Attached is a copy of "Program and Space Requirements" prepared by the U.S. Civil Service Commission for a proposed Federal Executive Institute and Managerial Training Center at Charlottesville, Virginia and a copy of the prospectus prepared for the Chairman, Committee on Public Works of the Senate. Although these attachments concern the construction by the University of Virginia and lease to the Federal Government of the proposed facility, they are representatives of the requirements which must be met to obtain the approval of any project under the Public Buildings Act of 1959 as amended by PL 92-313.

12. There is attached also a copy of PL 92-313, PL 93-391 making the appropriation for the General Services Administration for the fiscal year ending 30 June 1975, and a copy of Executive Order 9384, which are submitted as background information.

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13. Members of the Real Estate Branch, RECD held several informal meetings with GSA personnel including Mr. Jack Gural, Director of Planning Staff, Office of Operating Programs, Mr. Gerald Belt, member of the Planning Staff responsible for prospectuses, and Ms. Hilary Richards and Mr. James Barrett of the Space Management Division, Office of Operating Programs.

14. During these meetings it was elicited that a project managed under the Federal Buildings Fund would require an estimated four years for completion consisting of at least a year for the approval process, a year for the building design, and two years for construction. Public Law 92-313 provides that "No purchase contract shall be entered into under the authority granted under this section after the date of enactment of this section." Since no purchase contracts may be granted therefore after 16 June 1975, the time span for project approval eliminates this avenue for obtaining a building under PL 92-313.

15. The factor of political pressures was adroitly alluded to by GSA spokesman when the question of the assignment of priorities was broached. GSA assigns priority status to the construction projects approved in descending order and might receive appropriations from Congress on only 5 or 6 out of 100 projects, for example.

16. GSA personnel said that there were many projects which were not handled through the Federal Buildings Fund. A building under construction at the Atomic Energy Commission complex at Germantown was cited as an example. They thought that with the pressures of competing with all other Government agencies for the construction of buildings under the Federal Buildings Fund, the better approach and one more likely to obtain approval would be through whatever Committees of Congress controlled Agency matters, as had been done by the AEC. If this approach is taken an informal approval is apparently obtained from the House and Senate Committees on Public Works.

17. The GSA personnel interviewed emphasized that the Federal Buildings Fund does not provide funds for feasibility studies or for the development of requirements for the construction of a building. When a building project is approved by the Public Works Committees of Congress and Funds have been appropriated, those funds will include site preparation and A and E expenses.

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Attachments:

1. Letter from Robert E. Hampton to Hon. Arthur F. Sampson
with attached Program and Space Requirements, June 1974
2. Letter from Arthur F. Sampson to Hon. Jennings Randolph
with attached prospectus No. PVA-75011
3. Public Law 92-313
4. Public Law 93-381
5. Executive Order 9384

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(9 January 1975)

Acquisition of Space Under Public Buildings Act of 1959
As Amended by Public Law 92-313

Preparation of Requirements by C.I.A. (C.I.A. Funds)

G.S.A.

1. Review the Project (Planning Staff,
Office of Operating Programs, PBS,

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2. Prepare Prospectus (Office of Space
Planning and Management, PBS)

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O.M.B.

Project Approval

Public Works Committee of the Senate and House of Representatives
Project Approval

G.S.A.

1. Project Priority Established
2. Submission of Project in GSA Budget

House and Senate Appropriations Committees
Project Approval

House of Representatives and Senate
Approval of Appropriation as Public Law

Prospectus

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